

United States Engagement with ASEAN, 1977–2007

Thirty Years of Friendship and Cooperation



The Association of Southeast Asian Nations was founded in 1967 in Bangkok to accelerate economic growth, social progress, and cultural development and to promote regional peace and stability by instilling respect for justice and the rule of law. The original five members—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—were joined by Brunei Darussalam in 1984, Vietnam in 1995, Laos and Burma in 1997, and Cambodia in 1999. Through ASEAN, these countries have balanced diversity with mutually beneficial unity. Already one of the most successful regional organizations in the developing world, ASEAN intends to further integrate its members into an ASEAN Community by 2015. The United States actively supports ASEAN's intention, as reaffirmed in Bali Concord II, to become “a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.”

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With tremendous satisfaction, the United States of America marks the 30th anniversary of its formal dialogue and partnership with the Association of Southeast Asian Nations (ASEAN). That partnership expresses the high regard of the United States for ASEAN as an institution and agent of positive change, and the mutual commercial and strategic interests shared by the United States and ASEAN. In 2006, trade between ASEAN and the United States reached \$179 billion, up 16 percent from just the year before. Also in 2006, ASEAN attracted \$52 billion in foreign direct investment, a twofold increase from 2004. From 1995 to 2005, the United States invested \$83 billion in ASEAN countries, making it the single largest source of investment in the region for the period. ASEAN's combined GDP of \$1,073 billion in 2006 makes it one of the world's most prosperous economic blocs. If ASEAN were a single country instead of a fusion of 10, its population of nearly 568 million would be the world's third largest.

This overview of the United States Government's engagement with ASEAN celebrates a history of close friendship and cooperation. Through multiple agencies, the United States Government has worked with ASEAN to implement initiatives, including the most recent ASEAN–US Enhanced Partnership. This intense relationship arises from the goodwill and confidence cultivated through 30 years of mutually beneficial dialogue and effective assistance programs.



Strengthening Progress Through Partnership

Since the first ASEAN–US dialogue meeting in 1977, the United States has extended its engagement with ASEAN through enriching programs such as the US–Asia Environmental Partnership and the ASEAN Cooperation Plan. The most recent is the ASEAN–US Enhanced Partnership announced by President George W. Bush and ASEAN counterparts in November 2005. In presenting a shared vision of stability, peace, and prosperity based on democratic and equitable societies, the Partnership marks an historic step forward that encapsulates the entire scope of the relationship.

In July 2006, US Secretary of State Condoleezza Rice and ASEAN's Foreign Ministers in Kuala Lumpur signed the Partnership's Plan of Action, which will broadly support ASEAN's own Vientiane Action Program. That program is designed to create an open, dynamic, and resilient ASEAN Community based on security, economic, and sociocultural pillars.

LEFT TO RIGHT:

US Secretary of State Condoleezza Rice, ASEAN Secretary General Ong Keng Yong, and Malaysian Foreign Minister Syed Hamid Albar celebrate the signing of the framework document for a plan of action to implement the ASEAN-US Enhanced Partnership at the ASEAN Foreign Ministers Meeting in Kuala Lumpur, July 2006.

US Secretary of State Alexander Haig in Manila, Philippines, for the 1981 ASEAN Ministerial Meeting. The Ministers welcomed US support of the establishment of the ASEAN Regional Plant Quarantine Training Institute in Kuala Lumpur.



One month later, in accordance with the partnership, US Trade Representative Susan Schwab and ASEAN counterparts signed the ASEAN–US Trade and Investment Framework Arrangement, which establishes a regular and formal dialogue on trade and investment matters and a joint work plan.

Meeting in Hanoi in November 2006, President Bush and ASEAN leaders prioritized measures in the Partnership's Plan of Action. They discussed the threats posed by avian influenza and North Korea's nuclear weapons, the desirability of strengthening ASEAN–US ties through commercial and cultural exchanges, and steps for improving economic performance, transport, health, energy, information technology, and disaster and environmental management.

To help implement the Plan of Action, the US Government has launched a new assistance program—the ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE)—that will support activities over the next five to eight years.

These major steps forward in the ASEAN–US relationship build on a solid foundation laid by the ASEAN–US Dialogue, a regular exchange of ideas that commenced in 1977.

United States relations with the Association of Southeast Asian Nations have also expanded dramatically in the past four years. ASEAN is now the focus for U.S. policy in Southeast Asia, and its cohesion and strength are essential to stability in this critical area and beyond.

—President Jimmy Carter, State of the Union Address, 1981



Beginning the Dialogue, Building the Partnership, 1977–2002

At the first ASEAN–US Dialogue in Manila in 1977, the US delegation led by Undersecretary of State for Economic Affairs Richard N. Cooper recognized ASEAN's success as a regional organization and its role as a positive force for peace, development, and prosperity. The ASEAN delegation announced its intention to establish a special committee in Washington to facilitate the dialogue. By August 1978 the partners had defined broad areas for US assistance, and in 1979 funds began to flow through the Regional Economic Development Office of the US Agency for International Development (USAID) in Bangkok. USAID's emphasis on regional development complemented ASEAN's own regional outlook and desire to build its capacity as an institution.

From 1979 through 2002, the United States provided ASEAN with \$83 million in grants to develop human and institutional capacity; to further the development of trade, investment, and small businesses; and to protect and preserve environmental endowments. The United States also provided substantial aid to ASEAN's individual members as well as to regional programs in Southeast Asia and in the Mekong River delta.

Developing Human and Institutional Capacity

Human resource development has been a consistent priority of ASEAN. From 1979 to 2002, the United States Government contributed \$34.6 million to projects that created regional educational centers of excellence in health, agriculture planning, and plant quarantine and that provided training, scholarships, and fellowships in economics, engineering, agriculture, and health.

Promoting Trade, Investment, and Small Business

By 2002 USAID had provided \$16.5 million in trade, investment, and small business development projects to complement its programs in human and institutional development—and to spur on ASEAN's rising economic success. Together, the United States Government and ASEAN maximized the participation of the private sector in these projects.

Protecting the Environment

ASEAN and the United States share the goals of improving, preserving, and protecting the environment. US assistance to ASEAN has addressed a range of environmental issues, such as

LEFT TO RIGHT:

Vietnamese Foreign Minister Nguyen Manh Cam (right) converses with US Secretary of State Warren Christopher (left) during an informal dinner in Singapore following the 26th ASEAN Ministerial Meeting, July 1993. In his opening statement Secretary Christopher lauded ASEAN for its exemplary "pattern of cooperation and dialogue."

US Secretary of State Madeleine Albright shares a light moment with Indonesian Foreign Minister Abdurrahman Shihab before bilateral talks on the last day of the 33rd ASEAN Ministerial Meeting, July 2000.

US Secretary of State Colin Powell chats with Hoang Quang Thang, a Hanoi resident, on Ngoc Khanh Street as he takes a walk during a break of the ASEAN Regional Forum, July 2001.



cleaner technologies, watershed and coastal resources, and energy efficient construction.

The United States Government provided \$31.8 million for environmental assistance programs during 1979–2002.

US engagement with ASEAN builds on the work of the United States–Asia Environmental Partnership (US–AEP) founded in 1992 as a Presidential Initiative and operated under the leadership of USAID. It involved most ASEAN Member Countries. US–AEP focused on strengthening incentives and public policies for environmental quality in the industrial and urban sectors; introducing environmental management systems to industrial and urban sectors; facilitating the transfer of environmental technologies; and increasing investment in urban environmental infrastructure. Much of US–AEP's work continues in current cooperative programs with ASEAN on the environment. The United States' engagement with ASEAN also draws on the model developed by US–AEP, which brought US partners such as federal and state agencies, cities, corporations, and nongovernmental organizations, into cooperation with Asian decision-makers on the use of innovative, collaborative, and sustainable approaches to meet environmental challenges in the region.

A strong commitment to the principles of freedom and independence, and a fundamental trust in free enterprise and open markets, have propelled ASEAN countries far beyond what others would have thought possible. The decisionmakers of your countries have proven their wisdom and good sense.

—President Ronald Reagan, Bali, Indonesia, May 1986



Expanding Partnership, Advancing Progress, 2002–2006

The turn of the century presented ASEAN, the United States, and the world with new challenges in globalization, the environment, infectious diseases, disaster management, and cross-border crime. The United States and ASEAN responded to these challenges with new, comprehensive initiatives.

Enterprise for ASEAN Initiative

In 2002, the United States announced the Enterprise for ASEAN Initiative, which enables free trade agreements between the United States and ASEAN Member Countries. The goal is to create a network of bilateral agreements while encouraging regional liberalization. By negotiating individually instead of collectively with the United States, member countries will be able to liberalize trade and investment at their own pace. The United States concluded an agreement with Singapore in 2003, is negotiating an agreement with Malaysia, and is committed to completing negotiations with Thailand once a democratically elected government is established.

The ASEAN Cooperation Plan

In 2002 in Brunei Darussalam, then US Secretary of State Colin Powell announced the ASEAN Cooperation Plan to support trade promotion, disaster mitigation, and counterterrorism. That plan closely tracks the Vientiane Action Program, ASEAN's plan for integration through 2010, and is designed to support the ASEAN Secretariat in fostering economic integration and development and building regional cooperation on transnational issues. More than 20 projects have been initiated with a budget of more than \$10 million. The ASEAN Cooperation Plan has broadened ASEAN-US engagement by involving multiple US government agencies, state governments, nongovernmental organizations, academicians, and the private sector.

The ASEAN-US Technical Assistance and Training Facility

Established in 2004 and housed within the ASEAN Secretariat, the \$6 million ASEAN-US Technical Assistance and Training Facility is the flagship project of the ASEAN Cooperation Plan. Through the Facility, resident US specialists work on activities in nine discrete activity

LEFT TO RIGHT:

Singapore Trade Minister George Yeo, Thai Commerce Minister Adisai Bhotharamik, US Trade Representative Robert Zoellick, and Vietnam Trade Minister Vu Khoan link hands during the ASEAN Economic Minister's meeting in Bangkok, April 2002. The Ministers agreed to adopt an ambitious work program to expand trade and investment between ASEAN and the United States.

United States Trade Representative Susan Schwab and Malaysian Trade Minister Rafidah Aziz at a press conference after signing the ASEAN-US Trade and Investment Framework Arrangement (TIFA) during the ASEAN Economic Ministers Meeting in Kuala Lumpur, August 2006. In a joint media statement the ASEAN Ministers reaffirmed the importance of bringing the ASEAN region and the United States closer with the TIFA.



streams that correspond to one or more directives of the Vientiane Action Program: economic sector integration, investment, trade and customs facilitation, trade in services, trade negotiations, trade-related coordination and dialogue, natural resource management, public health, and the strengthening of Secretariat resources.

Through this last activity stream, the Facility sponsors training and one-year internships at the Secretariat for experts of member countries and is upgrading information technology programs that track and improve communication about ASEAN activities.

As of June 2007, the Facility had launched 125 activities. These include policy studies on investment, logistics, textiles, and rules of origin; training of 1,800 Secretariat, member country, and private sector representatives on trade negotiations, trade in services, the scheduling of services commitments, and investment promotion; and technical assistance for ASEAN to update and streamline its tariff nomenclature and create an ASEAN Single Window to facilitate customs clearance of goods into and between member countries.

I believe that without the training and preparation which I did in my graduate program at ASEAN Institute of Technology, I [would] not be equipped technically to meet at least a part of an enormous need in my country... to meet the food demand of our ever-growing population.

—Alan L. Presbitero, Philippines–AIT Scholarship Recipient, Class of 1983



US Resources Foster Economic Integration and Cooperation in ASEAN

The ASEAN Cooperation Plan has facilitated ASEAN's economic integration and transnational cooperation by involving many departments and agencies of the US Government. Training, study tours, and direct technical assistance have covered competition policy, standards, trade promotion, disaster response, public health measures, data collection, and environmental protection.

- The US Federal Trade Commission and the US Department of Justice provided assistance for development of competition policy, placing a specialist in the region and sponsoring workshops, training, and study tours.
- The US Patent and Trademark Office and ASEAN agreed in April 2005 to cooperate on the protection and enforcement of intellectual property rights. Since then, 800 people have been trained in the protection and enforcement of intellectual property rights.
- The US Department of Commerce sponsored training in the United States and Southeast Asia on standards and conformity assessment, concentrating on safety standards in the automotive industry, an economic sector ASEAN has targeted for integration.
- The ASEAN–US Business Council developed a manual for ASEAN officials to promote the ASEAN Free Trade Area and intra–ASEAN trade in general.

- The US Forest Service Disaster Mitigation Program provided training, including simulation training, in the management of responses to complex events such as forest fires, earthquakes, tsunamis, and terrorist attacks.
- The US Agency for International Development's POLICY Project placed a US public health specialist at the Secretariat to ensure access to HIV/AIDS antiretroviral drugs, enhance surveillance of the epidemic, and to improve care and support for those suffering from HIV/AIDS.
- Through the International Organization for Migration the US Government financed a project to improve collection of data on human trafficking. The project catalogued data that governments were collecting, examined its usefulness, and recommended ways that the Secretariat and member countries could improve data quality.
- Through the US Council of State Governments, officials from the States of Oregon, New Hampshire, and Maryland paired with two ASEAN cities to work on issues related to clean air, land, and water. They organized demonstration projects to support ASEAN's Framework for Sustainable Cities in Chiang Mai in Thailand, Hanoi and Halong in

LEFT TO RIGHT:

Indonesian students get ready to raise the flags of ASEAN Member Countries at the ASEAN Secretariat located in Jakarta during a ceremony to mark the 32nd anniversary of ASEAN, August 1999.

Art contest winners from the ASEAN Schools Tour stop in Cambodia display the winning illustration: "My Heart is full of ASEAN." The Schools Tour, which has stops in all 10 ASEAN Member Countries, features a USAID-funded film about the ASEAN Community.

Brunei water taxi driver transports a passenger around Kampung Ayer, June 2007. Brunei Darussalam joined ASEAN in 1984, one week after it had resumed full independence as a nation. In July 2002, Brunei hosted the ASEAN Regional Forum.



Vietnam, Phnom Penh in Cambodia, Balikpapan City in Indonesia, and Iloilo City in the Philippines.

- The US Government is helping ASEAN build capacity to enforce wildlife trade laws, specifically by strengthening trade and customs controls to prevent trafficking in endangered species. It facilitated the launch of the ASEAN Wildlife Law Enforcement Network.

Committing To Future Success, 2007

The ASEAN-US Enhanced Partnership and the Trade and Investment Framework Arrangement will deepen trade and investment ties. The Partnership's Plan of Action for 2006–2010 covers activities that will support implementation of ASEAN's Vientiane Action Program. Through ADVANCE the US Government will solidify its commitment to support the creation of the ASEAN Community by 2015. For the United States, ASEAN is a highly respected institution, a force for positive change in Southeast Asia, and a wellspring of inspired and independent growth. With ASEAN Member Countries we look forward to many more years of fruitful partnership as ASEAN achieves its goals for economic, political, and social development.

From 1979 through 2002, the United States provided ASEAN with technical assistance to develop human and institutional capacity; to promote trade, investment, and small businesses; and to protect and preserve environmental endowments.



A Project Retrospective

Human and Institutional Capacity

ASEAN Asian Institute of Technology Scholarship Research Project (1979–1986; \$4.1 million). This project supported 400 scholars working on engineering master's degrees, diploma programs, and short-term studies. Founded in 1959 in Thailand with support from USAID and other donors, the Institute is a recognized center of excellence in engineering education.

ASEAN Scholarship for Tropical Medicine and Public Health Project (1981–1986; \$3.2 million). Supported 500 graduate scholarships at ASEAN universities. Nearly all alumnae continued to work in health fields in their home countries.

ISEAS Economic Research Fellowship Project (1980–1985; \$850,000). Supported research on regional development, specifically for agriculture, food, and resource management, by 24 scholars.

ASEAN Plant Quarantine Project (1980–1985; \$5.4 million). Established the ASEAN Plant Quarantine Center and Training Institute in Malaysia. The center trained more than 200 people through graduate and post-graduate courses as well as short

courses, and helped to prevent the introduction and spread of plant pests, to stabilize and increase cash-crop yields, and to create local capacity for plant inspection and quarantine.

Agriculture Planning and Development Center (1980–1987; \$3 million). The Government of Thailand and USAID developed the center to provide training and masters programs in agriculture. The center strengthened capacity to formulate agricultural policy through 21 training programs attended by 271 officials, created a regional agricultural databank, and launched 20 research and planning initiatives.

Human Resources Development Program (1986–1992; \$18 million). This program extended training programs at the Asian Institute of Technology, the Agriculture Planning and Development Center, the ASEAN Plant Quarantine Center, as well as the Tropical Medicine and Public Health Project. Nearly 3,000 people completed training, including many women and private sector representatives.

LEFT TO RIGHT:

Two generations in Luang Prabang Province, Laos, in 2007, ten years after the country joined the ASEAN Community. In 2004, Laos hosted the 10th ASEAN Summit in its capital, Vientiane.

Young Malaysians waving the flags of the ten ASEAN Member Countries at the 39th ASEAN Ministerial Meeting.



Trade, Investment, and Small Business

ASEAN Small Business Improvement Project (1984–1989; \$3.5 million). This project provided small businesses with technical and managerial training and related technology. ASEAN's interest in small business development increased significantly during this period, even in Singapore, whose main interest had been multinational corporations. Four nongovernmental organizations provided assistance: the Asian Institute of Management in the Philippines, the Institute of Southeast Asian Studies in Singapore, Technonet Asia also in Singapore, and the ASEAN–US Center for Technology Exchange.

Private Investment and Trade Opportunities (1989–1995; \$13 million). A joint effort of ASEAN, the US Government, and the private sector, this project assisted ASEAN in implementing the ASEAN Free Trade Area. Four organizations contributed services. The ASEAN–US Council for Business and Technology established information resource offices in each member country. The East–West Center of Hawaii advised ASEAN on policy matters. Technonet Asia transferred technology. The Overseas Private Investment Corporation provided equity for an estimated 50 joint ventures through the ASEAN Growth Fund.

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Trade and Investment Study. Through the ASEAN–US Initiative in 1990, the Institute of Southeast Asian Studies in Singapore and the East–West Center in Hawaii produced a study recommending the creation of an umbrella agreement and consultative committee to increase cooperation in trade and investment.

Alliance for Mutual Growth. Developed in 1994 through discussions between the Office of the US Trade Representative and ASEAN, this public–private program stimulated economic growth by expanding ASEAN–US trade and commercial cooperation. The Alliance focused on increasing technology flows, developing human resources, promoting trade and commercial ties, developing infrastructure, and fostering cooperation on standards.

Environmental Protection

ASEAN Energy Project (1981–1990, \$5.8 million). This project increased regional capacity to research, develop, and apply energy conservation policies and raised awareness of environmentally sound and profitable technology and design alternatives. Phase I improved information exchange among ASEAN energy specialists and the Renewable Energy Resource Information Center of the Asian Institute of Technology, and sponsored a seminar on energy technology that featured national energy

reports from five member countries and 12 research reports that paved the way for future phases. Phase II helped member countries make buildings more energy efficient and explore alternative energy systems, and provided training in coal technology. Phase III promoted energy conservation in building and management policies, and provided related technical assistance and training.

ASEAN Watershed Program (1983–1988; \$2.5 million). This program established an information network to coordinate assistance and raise the quality of research and technical exchange among participating agencies. The program helped to fund the Center for Watershed Development in Los Baños, Philippines.

ASEAN Living Coastal Resources Management Program (1986–1991; \$5.8 million). Implemented by the International Center for Living Aquatic Resource Management, this program improved the management of coastal resource systems, produced site-specific coastal resource management plans, and trained more than 500 scientists, resource managers, and policymakers.

AT RIGHT:

Woman entrepreneur in Burma selling vegetables. In 2004, Burma hosted the 26th Meeting of the ASEAN Ministers of Agriculture and Forestry.



Strengthening Fire Management (1997–1998). In response to severe fire and haze in Southeast Asia, the US Forest Service assessed regional fire suppression capabilities, devised a series of fire suppression mobilization plans, and conducted national, subnational, and subregional fire simulation exercises to improve response to fires and to reduce haze.

ASEAN Environmental Improvement Program (1992–1997; \$17.5 million). To combat urban and industrial pollution, this program provided a regional framework that introduced cleaner industrial production technologies and environmental management techniques. The program trained 800 industry managers and government officials in pollution prevention and in institutional and policy analyses. The project paved the way for, and was absorbed into, the \$100 million US-AEP.

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